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Activities and budget for UNICEF as the substantive secretariat to the General Assembly special session on the follow-up to the World Summit for Children in 2001 and additional events

Summary

At the second regular Executive Board session in September 1999, the Executive Director presented a document outlining UNICEF support for the follow-up to the World Summit for Children (WSC) since 1990 and the initial support needed for the end-decade review and the preparatory process of the General Assembly special session (E/ICEF/1999/17). In the same document, UNICEF highlighted the unique opportunity presented by the tenth anniversary of WSC and the need to launch a worldwide mobilization campaign. In its decision 1999/12 (E/ICEF/1999/7/Rev.1), the Executive Board approved $2 million from other resources to initiate the process.

The present document outlines how UNICEF has started and will continue to provide substantive and technical support to the preparatory process of the special session on the follow-up to WSC, including the preparatory committee and its bureau. UNICEF will also continue and expand the process of facilitating and encouraging the participation of civil society, children and youth in the planning and implementation stages. UNICEF is initiating an information campaign on children's needs and rights as well as on the special session as requested in General Assembly resolution 54/93 of 7 December 1999.

The Executive Director is requesting that the Executive Board approve additional funding in the amount of $5.4 million from other resources for 2000-2001 to cover the current phase of substantive, technical and advocacy activities in preparation for the special session.

* E/ICEF/2000/9.

00-36397 (E) 090500

I. Background

World Summit for Children

1. On 30 September 1990, the World Summit for Children (WSC) galvanized a world-wide commitment to children. On that day, 71 heads of State or Government signed the World Declaration and Plan of Action, committing themselves to achieving an agreed set of time-bound goals and mobilizing the human and economic resources required to do so. Subsequently, the World Declaration and Plan of Action were endorsed by 181 countries, 155 of which prepared national programmes of action for children. The Declaration and Plan of Action set forth a vision of a "first call" for children by establishing 7 major and 20 quantified supporting goals that were considered achievable by the year 2000.

General Assembly process

2. The General Assembly, in resolution 45/217 of 21 December 1990, welcomed the adoption of the World Declaration and the Plan of Action by the World Summit, urged all States and other members of the international community to work for the achievement of the goals endorsed therein, and urged donor countries in particular to assist developing countries and agencies of the United Nations system, including their governing bodies, to support follow-up to WSC.

3. General Assembly resolution 54/93 of 7 December 1999, entitled "Special session of the General Assembly in 2001 for follow-up to the World Summit for Children", outlined the basis for the preparatory process. It established an open-ended preparatory committee to address both the organizational issues and to prepare for the outcome of the special session. Portions of the resolution relate specifically to UNICEF, including:

> "9. *Requests* the Secretary-General, with the support of the United Nations Children's Fund, to assist the preparatory committee in providing substantive input to the process and at the special session, including a report on emerging issues to be considered at the substantive session of the preparatory committee in 2000;
>
> "20. *Also requests* the Secretary-General, in close cooperation with the United Nations Children's Fund, to mount a public information programme to raise awareness of children's needs and rights and of the special session, its objectives and significance, and encourages Governments to do the same on a national basis;".

4. The organizational session of the preparatory committee was held from 7 to 8 February 2000 and a bureau was elected. The first substantive session will be held from 30 May to 2 June 2000, at which time the preparatory committee will plan future sessions.

Relevant Executive Board decisions

5. At its annual session in June 1999, the Executive Board requested the Executive Director "to support the Secretary-General in the preparation of the end-

decade review, including an overall assessment of progress achieved and lessons learned during the decade, an analysis of the main factors that have inhibited progress, an overview of remaining challenges and issues, and specific recommendations for the future" (E/ICEF/1999/7/Rev.1, decision 1999/9).

6. At the second regular Executive Board session in September 1999, the secretariat presented an outline of UNICEF support for the follow-up to WSC since 1990 and the initial support needed for the preparatory process for the end-decade review and special session (E/ICEF/1999/17). The same document highlighted the unique opportunity represented by the tenth anniversary of the World Summit and the need to launch a worldwide mobilization campaign. The Board approved start-up funding in the amount of $2 million from other resources to initiate the process (decision 1999/12).

II. Goals

7. As stated in General Assembly resolution 54/93, UNICEF will assist national Governments, at their request, in their assessments and reporting; in providing substantive input to the process and at the special session, including a report on emerging issues; and in preparing the Secretary-General's report to the special session. UNICEF will contribute in ensuring that the entire preparatory process leading to the special session is participatory, including non-governmental organizations and children. In addition, in close collaboration with the Secretary-General, UNICEF will organize a public information programme to raise awareness of children's needs and rights and of the special session, its objectives and significance.

III. Strategy

8. In response to the General Assembly request for UNICEF to form the substantive secretariat for the special session, UNICEF has reviewed the requirements for and the process of the preparation of the special session. A successful special session of the General Assembly will give form and impetus to the realization of children's rights, thus bringing about a major change in the situation of children. The special session will review implementation of the programme of action approved in 1990 by the World Summit and identify what needs to be done to accelerate future progress. The special session is also expected to endorse renewed commitments to children beyond the year 2000. It is planned for a three-day period in September 2001. The General Assembly has invited the participation of heads of State and Government in the special session.

9. To ensure that the special session achieves these goals, UNICEF has begun to mobilize broadly to increase awareness and commitment to children. This broad action for children has been referred to as the "Global Movement for Children", a framework for the first 10 to 15 years of the twenty-first century, based on a review of progress towards the WSC goals and on emerging issues such as poverty, armed conflict, discrimination, and HIV/AIDS among others. It is a renewed effort to broaden, strengthen and focus attention and commitment on common, agreed future actions for children. There are three key elements to the Global Movement for Children that are required to ensure that the special session achieves its goals: (a)

the end-decade review of the WSC goals; (b) the development of a framework of future action for children in the twenty-first century; (c) and a Leadership Initiative to promote it vigorously.

10. The end-decade review of the situation of children is intended to promote a process of national, regional and international reflection and debate on progress towards the WSC goals and fulfilment of children's rights. It will provide an overall assessment of progress achieved and lessons learned, an analysis of the main factors that have inhibited progress, and an overview of the remaining challenges, leading to specific recommendations for the future.

11. The proposal for future action for children in the twenty-first century is being prepared as a background note for action to the United Nations General Assembly special session substantive preparatory committee meeting. Document E/ICEF/1999/13 is also being submitted to the current session of the Executive Board for information. This proposal is intended as a foundation for dialogue leading to consensus on future priorities among a broad range of partners with whom UNICEF shares a common concern for the well-being of children and future human development. Based on external consultations and building on past achievements, it aims to give direction to all involved with the realization of children's rights. It will guide UNICEF strategic choices in the next decade.

12. Through the Leadership Initiative, UNICEF seeks to build an alliance of influential actors — governmental, non-governmental and private sector — who, through their influence to shape national laws, policies, budgets, institutions and programmes, also influence how societies behave towards children and adolescents. A few key actors will be identified, both individuals and organizations, who share the vision and analysis articulated in the proposal and who will identify with and commit to realizing that vision. UNICEF will be one among equal partners, but with a special responsibility as the United Nations agency for children, to support and facilitate development of the Initiative.

IV. Actions to be undertaken by UNICEF

13. The General Assembly has requested UNICEF to be the substantive secretariat for the General Assembly process. Other special sessions have been anchored in a functional commission, e.g. Commission on the Status of Women for the follow-up to the Fourth World Conference on Women and the Commission on Population and Development for the follow-up to the International Conference on Population and Development. In the case of the follow-up of the WSC +10, UNICEF will, for the first time, be directly servicing a General Assembly process. Appropriate capacity must be created in UNICEF to carry-out this essential function for the special session. A direct liaison has been established with the Department of General Assembly Affairs and Conference Services in order to receive guidance on General Assembly rules and procedures.

Activities with existing resources

14. A preliminary organizational structure has been established and is functioning in UNICEF as described in document E/ICEF/1999/17 and in accordance with the

Board-approved start-up budget of $2 million (decision 1999/12). The Deputy Executive Director, Alliances and Resources, is responsible for leading the preparatory process and providing support to the special session, assisted by a small secretariat. The Deputy Executive Director chairs an interdivisional steering committee in which the Standing Group of National Committees for UNICEF participates. The Global Management Team reviews proposals and progress, and provides recommendations and guidance to the Executive Director.

15. UNICEF is undertaking significant activities as part of its ongoing programmes. Ongoing support will be strengthened for coordinating UNICEF inputs into the end-decade review, including support to country and regional collection of data, identification and analysis of achievements and trends in implementation of the World Declaration and Plan of Action, and of lessons derived therefrom; support to the multiple indicator cluster surveys being undertaken by countries to obtain updated statistics on the situation of children; a review of selected national programmes of action for children to implement the Summit Declaration; a policy analysis which highlights disparity reduction; sectoral evaluations to document the lessons learned over the past decade; the collection and analysis of experience in the implementation of the Convention on the Rights of the Child; and the preparation and dissemination of a summary of cross-cutting issues arising from commitments to the fulfilment of children's and women's rights made at the global conferences of the 1990s. UNICEF is developing a proposal of future actions for children for the twenty-first century through a participatory process with inputs from these activities.

16. Regional consultations have played an important role in the last decade to share a common vision among States of the same region. For the end-decade review process initiated at the country level, some regional end-decade reviews are already planned. The South Asian Association for Regional Cooperation has planned such a review. In East Asia and the Pacific, a ministerial consultation on children and development is planned for early 2001 in Beijing. The Latin America and the Caribbean region is organizing a ministerial meeting in Jamaica in October 2000 on children and social policy in the Americas. UNICEF is encouraging other regional constituencies to hold high-level discussions on children's issues. Limited support will be provided to these events, including for the participation of children, youth and civil society organizations in relevant activities.

17. Regional consultations will take place to ensure that other intergovernmental partners such as parliamentarians and municipal leaders are involved as they are instrumental in many countries in ensuring that the priority of children is understood and acted upon by both Governments and civil society. UNICEF will continue to work closely with these partners as they focus on children's issues in various forums.

18. The majority of UNICEF advocacy activities will be devoted to implementing an information campaign to raise awareness of children's needs and rights. *The State of the World's Children 2001* and other publications will be devoted to issues of the special session. The publication will be part of the strategy of building partnerships and mobilization leading up to the 2001 special session. In addition, International Day of Children's Broadcasting media activities and films will be devoted to the information campaign.

Activities requiring additional resources

19. In 2000, the tempo of activities will increase as the scope of partnerships focusing on children expands and the work for the preparatory committee expands. Therefore, additional staff and resources are needed to support the planning process; to work with the United Nations Secretariat, the bureau of the preparatory committee, Governments and other partners to plan and undertake the necessary arrangements; and to prepare and disseminate substantive documentation. A full-time team of staff will research and develop documentation to meet the needs of the preparatory committee and its bureau, and liaise continuously with both internal and external partners to ensure coordination.

20. The work of the substantive secretariat is labour- and staff-intensive, and it will intensify further as the special session draws closer. The budget proposal for the substantive secretariat includes staff costs, office operating expenses, travel and a portion for the accreditation of non-governmental organizations (NGOs) that falls under the responsibility of UNICEF.

21. Advocacy, mobilization and communication activities will focus on realizing operative paragraph 20 of General Assembly resolution 45/93. In order to develop a programme of public information, in collaboration with the United Nations Secretariat, UNICEF will undertake a programme of advocacy and communications to generate increased understanding of and support for children's rights, the special session and the preparatory process. Publications, press releases, films and other visual materials will be developed, produced and widely disseminated. All relevant new publications will be versioned for the World Wide Web. In addition, a separate global movement web site in English, French and Spanish will be conceptualized, coordinated, created and maintained to handle feedback. UNICEF will also mobilize its network of Goodwill Ambassadors at international and national levels to support efforts to raise awareness of the needs and rights of children.

22. UNICEF is proposing technical consultations on topics of relevance to the end-decade review to inform and enrich the global debate. Some of the areas of discussions will include country experiences in relation to the development of child-focused budgets, the impact of debt on the allocation of resources for social sectors, and the promotion of social inclusion of children belonging to the poorest groups in society. Participants will be experts from selected Governments and NGOs, multilateral and bilateral donor agencies, and academia. The discussions will contribute to the global mobilization effort, along with additional regional consultations.

23. As recognized by the General Assembly, a special effort will be made to engage civil society organizations (CSOs), to involve new CSO constituencies and to increase awareness among them of good practices to promote children's rights. A series of consultations will be organized by national and regional CSOs. These consultations will allow representatives of all partners in the Global Movement for Children to share lessons learned and jointly commit themselves to specific activities for children, demonstrating a sense of unity of purpose while respecting a diversity of approaches. UNICEF will provide support to these efforts.

24. As requested by the General Assembly, UNICEF will provide support to mobilize partnerships for and with children and youth, especially at regional and national levels. This will include support for youth participation in the analysis and

assessment of the end-decade review and development of the adolescent component of the emerging future actions for children. Children and youth mobilization will be linked to governmental and CSO processes. Publications, including interactive materials using the internet, will be developed in support of youth participation and mobilization.

25. With support from the UNICEF Private Sector Division and others, efforts will be made to identify a significant network of appropriate corporate sector partners to participate in the mobilization and to contribute to its expansion. The UNICEF network of 37 National Committees in the industrialized world is already playing a key role in strengthening collaboration with the private sector.

26. The various national, regional and global events, including the special session, will be the culmination of the WSC + 10 process, leading to a bold commitment for action for the next decade and beyond.

V. Budget

27. The total budget which will enable UNICEF to undertake the above described activities is estimated at $7.4 million. In the summary budget table below, the first column refers to the amount approved by the Executive Board at its second regular session of 1999 (decision 1999/12); the second column refers to the additional funds proposed in this document to be approved by the Executive Board at the present session; and the third column represents the total funding requested by major cost category and activity.

Budget estimate*

(In thousands of United States dollars)

	Approved start-up funding	*Additional funding requested*	*Total*
1. Staff costs			
(a) Substantive secretariat	1 150	450	1 600
(b) Advocacy and mobilization	-	1 690	1 690
Subtotal	**1 150**	**2 140**	**3 290**
2. Advocacy and mobilization			
(a) Global advocacy for children's rights and for the special session	350	1 275	1 625
(b) Children and youth mobilization	150	450	600
(c) Civil society mobilization	-	845	845
(d) Regional advocacy and mobilization	350	690	1 040
Subtotal	**850**	**3 260**	**4 110**
Grand total	**2 000**	**5 400**	**7 400**

* The current budget separates staff costs to allow comparison with the previous Board-approved funding. The proposed resolution which follows integrates these staff costs in each budget line.

VI. Draft resolution

28. The Executive Director *recommends* that the Executive Board adopt the following draft resolution on other resources-funded activities budget estimates for the period 2000-2001:

Other resources-funded activities budget estimates for the period 2000-2001

The Executive Board

Decides:

(a) That a budget of $5,400,000 from other resources is approved for the period 2000-2001, subject to the availability of specific-purpose contributions:

	In United States dollars
Substantive secretariat	450 000
Global advocacy for children's rights and for the special session	2 020 000
Children and youth mobilization	875 000
Civil society mobilization	1 365 000
Regional advocacy and mobilization	690 000
Total	**5 490 000**

(b) That this budget is an addition to the start-up funding of $2,000,000 from other resources already approved in decision 1999/12 (E/ICEF/1999/7/Rev.1).

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Proposed modifications to the budget process

Summary

As per decision 2000/3 (E/ICEF/2000/8 (Part I)) on the multi-year funding framework, adopted by the Executive Board at its first regular session of 2000, the present report describes the constraints in the existing budget process and recommends that the biennial support budget be submitted to the first regular session of the first year of the biennium and that the Executive Director have the authority to manage the support management structure within the approved appropriation.

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* E/ICEF/2000/9.

00-34229 (E) 050400

I. Introduction

1. The Executive Board, at its first regular session in 2000, approved the recommendations proposed in the report "Multi-year funding framework: securing adequate resources to achieve the medium-term plan priorities" (E/ICEF/2000/5). In its decision 2000/3 (E/ICEF/2000/8 (Part I)), the Executive Board "requests the Executive Director to submit the proposed modifications to the budget process (as described in paragraphs 39 and 57 of document E/ICEF/2000/5) to the Advisory Committee on Administrative and Budgetary Questions for its review and comments" for presentation to the annual session of the Executive Board in 2000.

2. Chapter II describes the current general reform environment and public sector budgeting. Chapter III describes reforms made in the UNICEF budget process since 1996 as part of the Management Excellence Programme. These changes, introducing results-based management, have brought the budgetary decision closer to the strategic planning process. To strengthen linkages between the priorities of the strategic medium-term plan, resources, budget and outcome, modifications must be made to further improve the budget process. Chapter IV describes the existing constraints and proposes recommendations. Chapter V indicates the decisions that need to be taken by the Executive Board.

II. General reform and public sector budgeting

3. Public sector budget and performance management have undergone significant reform in recent years. There is a professed consensus that a centralized model no longer suits the needs and conditions of public management. Reforms have been centred around accountability frameworks in which the Government entrusts spending agencies with flexibility in using resources in exchange for holding them responsible for results. Many personnel and financial restrictions on line items have been discarded, and a variety of administrative arrangements have been adopted to stimulate management improvements. Implanting a performance ethic, getting people to manage for results and transforming agencies into performance-driven producers of public services are major challenges in public sector management.

4. The reform goes hand-in-hand with changes in the budgeting process. In reviewing governmental reforms, some common features have emerged:

(a) Multi-year budget, strategic and operational plans;

(b) Top-down spending ceilings whereby total expenditure ceilings are set and then allocated to individual ministers;

(c) Devolution of authority;

(d) Relaxation of restrictions on inputs, including personnel management;

(e) Increased use of performance information.

III. Reforms in the UNICEF budget process since 1996

5. Traditional budgeting and planning before 1996 did not always create value (or, at best, only marginal). Value is defined not only in financial measures, i.e. generating the same efficacy/output at a lower cost or generating greater output at the same cost, but value also refers to intangible values such as knowledge management and innovation capacity. It can also take the form of relationship value with cooperating partners, either in enhancing the cooperation programme with Governments or in advocating to global partners the rights of children and women.

6. The reform in the UNICEF budget process since 1996 took the following form:

(a) Initiation of integrated budgeting based on the principle that programme plans drive the budget. Whenever new country programme plans are proposed, or existing programme plans are adjusted in the course of a mid-term review (MTR), a country programme management plan (CPMP) must be formulated to ensure that the management structure supports the country programme;

(b) At headquarters locations, office management plans (OMPs) are prepared biennially within the medium-term plan framework with budget proposals. An open forum is held biennially for presentation of the OMPs to all staff to improve transparency and enhance cross-divisional collaboration. Implementation of the OMPs is then reviewed annually to improve future actions;

(c) The budget review for country offices is decentralized to the regional level so that the decision is taken at the level closer to the implementation;

(d) A support budget ceiling is established for each region on the basis of the financial plan, and each region can manage the budget within that ceiling;

(e) The support budget allotments are given at the seven expenditure category levels[a] rather than at the detailed line-item level. Offices have flexibility in managing the budget at the category level;

(f) The biennial budget proposal is presented to the Executive Board in the format agreed upon in the "Harmonization of budgets: UNDP, UNFPA and UNICEF" (E/ICEF/1997/AB/L.3 and Add.1) to enable the Executive Board to focus on strategic decision-making.

7. The reform in the budget process since 1997 created more value for the organization, and indirectly for children and women. These have been described in the budget documents:

(a) The ratio of the support budget to total expenditure has been reduced. The support budget has been maintained at the same level for six years to enable more funds to go to the programmes;

(b) Within the limitation of the post pyramid[b] and total support budget, regions can respond to the countries' requirements through the decentralized budget process;

(c) The capacity of the organization in information technology has increased substantially. This created the necessary technological platform to enable the organization to manage knowledge and advocacy functions and support results-based performance reporting;

(d) Twenty-five countries that did not have a support budget now have one;

(e) Within the same budget levels, regional offices are able to perform their enhanced roles in oversight and programme support.

8. Experience from the last three years also pointed out constraints which prevent more value creation for the organization. These are described in chapter IV below.

IV. Constraints in the current budget process and recommendation

Timing of the budget submission to the Executive Board

9. The current timetable requires UNICEF to submit the biennial budget proposal to the second regular session of the Executive Board in September every other year for the following biennium. This means that the biennial budget proposal has to be finalized by the end of May to submit to the Advisory Committee on Administrative and Budgetary Questions in June. The current timetable of programme and budget preparation is provided in annex I. UNICEF is proposing to submit the biennial support budget to the first regular session in January starting in 2002.

10. Country notes are reviewed by the Executive Board in late January/early February. The comments of the Executive Board are then taken into consideration in completing the country programme process with the Government. The result of this dialogue/consultation, and further internal guidance via the medium-term strategic plan (MTSP), is the country programme recommendation (CPR) that is reviewed by the Executive Board at the second regular session in September. The CPR is typically finalized in May. It is only at this point that the country office is in a position to properly complete its CPMP and support budget.

11. Because of the May budget submission deadline, the CPMP and support budget have been completed several months before the country programme is finalized. The administration is convinced that changing the timing for the submission of the support budget will enable sufficient articulation and review of the CPMP, thereby creating more value for the organization. The current practice runs counter to the principle of the plan drives the budget. The experience in the last biennial budget exercise has shown that when the support budget is finalized before the country

[a] Seven expenditure category levels: posts; other staff costs; consultants; travel; operating expenses; furniture and equipment; and reimbursements.

[b] The post pyramid refers to the number of international and national Professional posts, and General Service posts, funded from the support budget where the international Professional posts are further broken down by grades.

programme, adjustments are more likely to be needed to meet the programme requirements.

12. Moreover, for the development of the next MTSP, the following were proposed in E/ICEF/2000/5:

(a) Clear consultative processes will be followed to achieve the best and most effective fit among global, regional and country priorities in the definition and pursuit of all goals, objectives and major areas of action (paragraph 31);

(b) Country offices will systematically assess the relevance of the MTSP global and subregional medium-term objectives in future country programme formulation processes (paragraph 36);

(c) Indicators will be adopted for progress and process monitoring and performance assessment against each medium-term objective in the MTSP (paragraph 34).

13. Since UNICEF follows an integrated programme and budget preparation and review process, these elements need to be included in the process. Although it would require more time investment for the preparation of the MTSP and the integrated budget in the beginning, the benefit will derive from:

(a) A more transparent linkage between resource and results within the long-term perspective;

(b) Less time spent in planning each year, and more time spent on implementation;

(c) The organization will have sufficient time to look into trade-offs, opportunities and risks.

14. After the discussion of the MTSP at the second regular session of 2001, UNICEF will also need to take time to reflect on the comments and guidance provided by the Executive Board in the budget and structure.

15. With the above in mind, UNICEF is proposing to submit the biennial support budget to the first regular session of 2002. This means that an interim support budget appropriation to cover the one-month support needs for January 2002 will need to be made in 2001. As shown in annex II, the revised timeline proposes to expand the time allotted in critical activities such as programme review preparation in country offices and the programme and budget review (PBR) at the regional level. With the revised timeline, the MTSP and CPR will drive the budget preparation process. All in all, UNICEF thinks that with this revised timeline, much will be gained and nothing will be lost.

Management flexibility

16. When UNICEF decentralized the PBR to the regional offices, a new procedure was put into place as indicated in paragraph 6 above. As a result of the decentralized budgetary decision, UNICEF has been able to respond to programme needs in a more timely manner. The discussion on resources is focused on activities, objectives, outputs and outcomes. Attention on input information is still required in all budget submissions and reviews. Special input indicators are established, such as the percentage of the support budget to the total budget and per capita operating costs for comparison between offices. As UNICEF moves further towards accountability by results, it is inevitable that some of the input restrictions, namely the post pyramid in the support budget, will need to be reviewed to see if these are roadblocks for programme managers to meet their accountabilities and achieve results.

17. To illustrate how the control on the post pyramid does not contribute to programme implementation, two situations are presented below:

(a) Countries preparing new CPRs and MTRs after the support budget has been approved;

(b) Emergency situations that will require new or expanded support structures, such as in the case of East Timor and Kosovo in 1999.

18. Under the present procedure, UNICEF is required to adhere to the post pyramid as presented in the biennial budget proposal, and this is built into instructions and procedures for all budget holders to follow. In the case of new CPRs, if additional support is required, in terms of an additional support budget post or an upward reclassification of a post, then, unless an offset is found, this cannot be put in place until the next biennium, i.e. only in the second year of the new country programme. That restriction creates a barrier to establish a proper staff structure and may slow down implementation of the new country programme in the first year.

19. In the case of a new emergency situation occurring after the support budget is approved, usually staff are assigned on a temporary basis. This does not

allow UNICEF to recruit personnel on a longer-term basis to carry out necessary support for the emergency programme where the reconstruction phase continues for a number of years.

20. In either case, although savings can be found in the approved budget appropriations, UNICEF cannot effectively and expediently put the necessary structure in place to support the programme due to the limitations on the post pyramid.

21. The cost of personnel is one of the many items of expenditure that heads of offices must manage within the limits of their single budgetary allotments. If there is an increment in the salary scales, managers must find other savings to absorb the costs. In some cases, if the office wants to give up a P-5 level post in the support budget to establish a P-2 level post and a national Professional post, although this would yield savings, it cannot be done since this would add a post to the post pyramid in the support budget.

22. UNICEF will continue to follow the format of the harmonized budget presentation as agreed with the United Nations Development Programme and the United Nations Population Fund. This format will provide information on financial input and the post pyramid. It is recommended that this information be used only for comparison purposes. In addition, UNICEF will not be bound by the different types of financial inputs, and specifically by the number of posts and grades, as long as the support budget expenditure is within the total budget appropriation lines. UNICEF will report to the Executive Board every year in the annual report of the Executive Director on any changes in the post pyramid. This added flexibility will greatly enhance the ability of UNICEF to respond to programme requirements in the most timely and effective manner.

V. Draft recommendation

23. The Executive Director *recommends* that the Executive Board approve the following draft recommendation:

The Executive Board

1. *Reiterates* the principle that the plan drives the budget and that the support budget should not be formulated before the programme has been sufficiently articulated through the development of the master plan of operations and the draft country programme recommendation (decision 1997/3 (E/ICEF/1997/12/Rev.1)), and *requests* UNICEF to submit the future biennial support budget at the first regular session of the first year of the biennium;

2. *Confirms* that within the approved support budget appropriations, the Executive Director has the authority to adjust the support management structure to meet programme and the medium-term strategic plan priorities. Any changes in the support structure in terms of the grading and number of posts will be reported in the annual report of the Executive Director to the Executive Board;

3. *Requests* UNICEF to prepare an interim budget allocation to cover the one-month support costs for January 2002 for presentation at the second regular session of the Executive Board in 2001.

Annex I

CURRENT TIMELINE OF COUNTRY PROGRAMME RECOMMENDATION AND BUDGET SUBMISSION TO THE EXECUTIVE BOARD

Steps	Activity	January	February	March	April	May	June	July	August	September	October	November	December	January
Current timetable for country programme recommendation/budget preparation														
A	Country notes reviewed by Executive Board													
B	Country offices reflect comments of Board into programme submissions													
C	Country offices complete country programme management plans and submit programme and budget submission to the regional programme and budget review													
D	Regional programme and budget review teams review the country submissions													
E	Regional directors submit budget to headquarters (budget finalized in country programme recommendations)													
F	Headquarters compiles regional results and submits global consolidation to the Executive Director and global programme and budget review team													
G	Country offices finalize country programme recommendation document for production													
H	Headquarters drafts budget document, submits it to Advisory Committee on Administrative and Budgetary Questions for review, and initiates final editing for translation and reproduction													
I	**Advisory Committee on Administrative and Budgetary Questions reviews budget document**													
J	Report of the Advisory Committee on Administrative and Budgetary Questions is submitted for final editing for translation and reproduction													
K	Report of the Advisory Committee on Administrative and Budgetary Questions is distributed to Executive Board members													
L	Informal briefing with Executive Board members on budget proposal													
M	Executive Board meets on the budget													

Problems in this timeline:

Step B: Only two weeks to rework comments on country notes into country programmes.

Step E and G: The integrated budget for country office is finalized in April two months before the country programme recommendation is finalized in June. This runs counter to the principle of the plan drives the budget.

With the new medium-term strategic plan, it is not possible to also reflect the medium-term strategic plan into the integrated budget in this timeline.

Annex II

PROPOSED TIMELINE OF BUDGET SUBMISSION TO THE EXECUTIVE BOARD

Steps	Activity	January	February	March	April	May	June	July	August	September	October	November	December	January
PROPOSED														
A	Country notes reviewed by Executive Board													
B	Country offices reflect comments of Board and draft medium-term strategic plan into programme submissions													
C	Country offices complete country programme management plans and submit programme and budget submissions to the regional programme and budget review													
D	Regional programme and budget review teams review the country submissions, taking into consideration the final draft of the medium term strategic plan and draft country programme recommendations													
E	Regional directors submit regional budget to headquarters													
F	Headquarters compiles regional results and submits global consolidation to the Executive Director and global programme and budget review team													
G	Country offices finalize country programme recommendation document for production													
New	**Executive Board reviews the medium-term strategic plan**													
New	UNICEF incorporates any comments of the Board on the medium-term strategic plan into budget discussions and calculations													
H	Headquarters drafts budget document, submits it to Advisory Committee on Administrative and Budgetary Questions for review, and initiates final editing for translation and reproduction													
I	**Advisory Committee on Administrative and Budgetary Questions reviews budget document**													
J	Report of the Advisory Committee on Administrative and Budgetary Questions is submitted for final editing for translation and reproduction													
K	Report of the Advisory Committee on Administrative and Budgetary Questions is distributed to Executive Board members													
L	Informal briefing with Executive Board members on budget proposal													
M	Executive Board meets on the budget													

Improvements in the revised timeline:

Step B : Country offices have more time to assess the relevance of the medium-term strategic plan targets.

Step E and G: Country offices will finalize the budget after the country programme recommendation is finalized in June.

New steps are added to ensure that Executive Board comments on the medium-term strategic plan are reflected in the budget submission.

These boxes indicate the expanded period.

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Multi-year funding framework: securing adequate resources to achieve the medium-term plan priorities

Proposed modifications to the budget process

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports entitled "Multi-year funding framework: securing adequate resources to achieve the medium-term plan priorities" (E/ICEF/2000/5) and "Proposed modifications to the budget process" (E/ICEF/2000/AB/L.3). During its consideration of the reports, the Committee met with the Deputy Executive Director and her representatives, who provided additional information.

2. The Executive Board of the United Nations Children's Fund (UNICEF), in its decision 2000/3 of 2 February 2000 (E/ICEF/2000/8 (Part I)), approved the draft recommendation contained in document E/ICEF/2000/5, and requested the Executive Director to submit the proposed modifications to the budget process, as described in paragraphs 39 and 57 of the document, to the Advisory Committee for its review and comments prior to final submission of a revised budget process to the annual session of the Executive Board in 2000. The proposed modifications were submitted in document E/ICEF/2000/AB/L.3.

3. The guidance of the Advisory Committee is sought with regard to two main issues. The first issue relates to the timing of the submission of the biennial support budget to the Committee and subsequently to the Executive Board. The second relates to a perceived need for increased management flexibility with regard to the support budget post structure.

Timing of the submission of the support budget to the Executive Board

4. As indicated in paragraphs 9-11 of document E/ICEF/2000/AB/L.3, the current budget timetable requires UNICEF to submit the biennial budget proposal to the Executive Board at its second regular session in September every other year for the following biennium. This means that the biennial budget proposal has to be finalized by the end of May for submission to the Advisory Committee in June. However, the country programme recommendations are finalized by the Executive Board in May, and it is only at that point that the country offices are in a position to properly

* E/ICEF/2000/9.

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complete the country programme management plans (CPMPs) and support budgets.

5. Because of the May budget submission deadline, the CPMPs and support budgets have been completed several months before the country programme is finalized. This runs counter to the principle, which has been a cornerstone in the efforts by UNICEF to reform its budgetary process, that programme plans should drive the budget. Consequently, UNICEF proposes the submission of the biennial support budget to the Executive Board at its first regular session in January, at the beginning of the biennium, starting in January 2002. UNICEF also proposes that an interim budget allocation should be prepared to cover the one-month support costs for January 2002 for presentation to the Executive Board at its second regular session in 2000.

6. The Advisory Committee concurs in the change in timing from June to October of the submission of the budget to the Committee. It trusts that the UNICEF administration will keep strictly to that timetable, as any delay in submission could defeat the purpose of the change. While the Committee interposes no objection to the timing recommended for the submission of the budget to the Executive Board in January 2002, in the opinion of the Committee, the most appropriate time to discuss the budget would be before the financial period starts, not in January, when the period has already begun. The Committee understands that, owing to constraints on conference servicing on the part of the United Nations, it is not possible at present for the Executive Board to meet from October to December while the General Assembly is in session. A long-term solution to this problem should be sought. The Committee recommends further consultations on this issue with the Committee on Conferences.

7. With regard to the one-month interim support budget proposed for January 2002, the Advisory Committee is of the opinion that the viability of this course of action will very much depend on the cash position of UNICEF. If sufficient cash is available to maintain support operations for one month in January while the support budget is being reviewed, then this should not present a problem for January 2002, although, as stated above, a long-term solution should be sought which would avoid such an unusual procedure.

Management flexibility

8. UNICEF proposes that within the approved support budget appropriations, the Executive Director be given the authority to adjust the support management structure to meet programme and medium-term strategic plan priorities. Under the current practice, the Executive Board does not specifically approve posts; however, it does authorize the establishment of posts and the manning table. The Advisory Committee understands that the post pyramid as presented in the biennial budget proposal cannot be altered without the approval of the Board and that this has been built into budget instructions and procedures. Under the post pyramid, which was instituted in 1986, the Executive Director has the authority to redeploy and reclassify posts within the pyramid. In this connection, the Committee recalls its report of 16 March 1987, in which it stated its view that it was important for the Executive Board to maintain specific and direct control over all posts dealing with administration or project support (E/ICEF/1987/AB/L.2, para. 28). In practical terms, what UNICEF is seeking is increased flexibility in the management of support posts in the interim between meetings of the Executive Board.

9. The Advisory Committee concurs with certain conditions in the recommendation concerning increased management flexibility. Firstly, the establishment of any post above the level of P-5 would require prior approval of the Committee and of the Executive Board. Secondly, support staff costs should not exceed the amount authorized by the Executive Board and should not involve general temporary assistance, consultancy or temporary funds. On that basis, flexibility could be provided for posts from levels P-1 to P-5, including for reclassification of posts. Thirdly, the ratio of funds for programme costs to funds for programme support costs should not in any way be affected by the implementation of increased management flexibility. In addition, whatever staffing changes are made in this context should be reported in the next budget submission so that the Committee and the Board can monitor implementation of the increased management flexibility. Furthermore, the issue of increased flexibility with regard to reclassification of posts should be revisited by UNICEF; in the view of the Committee, it should not become institutionalized.

10. The Advisory Committee requested clarification regarding whether a distinction was made in the country offices between posts financed under the biennial support budget and those financed under the programme budget. The Committee was informed that, although some discussion of dropping the distinction had taken place in the context of the harmonized budget presentation for the funds and programmes of the United Nations, the distinction continued to be made. The Committee requests that a clear indication be made on the interpretation of the harmonized methodology in this regard and on the criteria used to implement it.

General observations and recommendations

11. The Advisory Committee notes, as indicated in paragraphs 19 and 20 of document E/ICEF/2000/AB/L.3, that UNICEF does not have a mechanism to deal with unforeseen expenditures. The Committee recommends that the Executive Director examine the current practice followed by UNICEF and report to the Executive Board, through the Committee, on possible policy options to deal with unforeseen expenditures.

12. The Advisory Committee is concerned that the UNICEF planning, programming, budgeting and implementation processes are becoming overly complex. The Committee cautions that over-reporting and over-review are not synonymous with enhanced oversight. In this connection, the Committee requests the Executive Director, as a long-term objective, to review all elements and components of the present planning, programming and budgeting process with a view to identifying areas in which streamlining and simplification, as well as less frequent reporting, might be possible.